

REFERENCE TITLE: lobbyists; gift ban

State of Arizona  
House of Representatives  
Forty-ninth Legislature  
First Regular Session  
2009

# HB 2217

Introduced by  
Representatives Ableser: Fleming, Waters

## AN ACT

AMENDING SECTION 41-1231, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 7, ARTICLE 8.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1231.01; AMENDING SECTIONS 41-1232.02, 41-1232.03 AND 41-1239, ARIZONA REVISED STATUTES; RELATING TO REGULATION OF LOBBYISTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 41-1231, Arizona Revised Statutes, is amended to  
3 read:

4 ~~41-1231.~~ Definitions

5 In this article, unless the context otherwise requires:

6 1. "Authorized lobbyist" means any person, other than a designated  
7 lobbyist or lobbyist for compensation, who is employed by, retained by or  
8 representing a principal with or without compensation for the purpose of  
9 lobbying and who is listed as an authorized lobbyist by the principal in its  
10 registration pursuant to section 41-1232.

11 2. "Authorized public lobbyist" means a person, other than a  
12 designated public lobbyist, who is employed by, retained by or representing a  
13 public body, with or without compensation, for the purpose of lobbying and  
14 who is listed as an authorized public lobbyist by the public body in its  
15 registration pursuant to section 41-1232.01.

16 3. "Designated lobbyist" means the person who is designated by a  
17 principal as the single point of contact for the principal and who is listed  
18 as the designated lobbyist by the principal in its registration pursuant to  
19 section 41-1232.

20 4. "Designated public lobbyist" means the person who is designated by  
21 a public body as the single point of contact for the public body and who is  
22 listed as the designated public lobbyist by the public body in its  
23 registration pursuant to section 41-1232.01.

24 5. "EDUCATIONAL EVENT":

25 (a) MEANS THE AMOUNT OF ANY EXPENSE PAID OR INCURRED FOR ENTRANCE  
26 FEES, LODGING, FOOD AND BEVERAGE, TRAVEL AND OTHER EXPENSES FOR A STATE  
27 OFFICER'S OR EMPLOYEE'S ATTENDANCE AT AN EVENT, COMMITTEE, MEETING,  
28 CONFERENCE OR SEMINAR, INCLUDING MEETINGS OF STATE, REGIONAL OR NATIONAL  
29 ORGANIZATIONS OR THEIR COMMITTEES CONCERNED WITH LEGISLATIVE OR GOVERNMENTAL  
30 ACTIVITIES, IF ATTENDANCE AT THE EVENT IS PRIMARILY FOR AN EDUCATIONAL  
31 PURPOSE IN CONNECTION WITH THE STATE OFFICER'S OR EMPLOYEE'S LEGISLATIVE OR  
32 OFFICIAL DUTIES.

33 (b) DOES NOT INCLUDE EXPENDITURES FOR ENTERTAINMENT UNLESS IT IS A  
34 SPECIAL EVENT.

35 ~~5.~~ 6. "Entertainment" means the amount of any expenditure paid or  
36 incurred for admission to any sporting or cultural event or for participation  
37 in any sporting or cultural activity.

38 ~~6.~~ 7. "Expenditure" means a payment, distribution, loan, advance,  
39 deposit or gift of money or anything of value and includes a contract,  
40 promise or agreement, whether or not legally enforceable, to make an  
41 expenditure that provides a benefit to an individual state officer or state  
42 employee and that is incurred by or on behalf of one or more principals,  
43 public bodies, lobbyists, designated public lobbyists or authorized public  
44 lobbyists.

1       ~~7.~~ 8. "Family gift" means a gift, ~~to a state officer or employee or a~~  
 2 ~~member of the officer's or employee's household from a principal, lobbyist,~~  
 3 ~~designated public lobbyist or authorized public lobbyist who is a relative of~~  
 4 ~~the state officer or employee or a member of the household of the state~~  
 5 ~~officer or employee if the donor is not acting as the agent or intermediary~~  
 6 ~~for someone other than a person covered by this paragraph~~ DEVISE OR  
 7 INHERITANCE FROM A STATE OFFICER'S OR EMPLOYEE'S SPOUSE, CHILD, PARENT,  
 8 GRANDPARENT, GRANDCHILD, BROTHER, SISTER, PARENT-IN-LAW, BROTHER-IN-LAW,  
 9 SISTER-IN-LAW, NEPHEW, NIECE, AUNT OR UNCLE OR THE SPOUSE OF THAT INDIVIDUAL  
 10 OR A MEMBER OF THE HOUSEHOLD OF A STATE OFFICER OR EMPLOYEE IF THE DONOR IS  
 11 NOT ACTING AS THE AGENT OR INTERMEDIARY FOR A PERSON OTHER THAN A PERSON  
 12 COVERED BY THIS PARAGRAPH.

13       ~~8.~~ 9. "Food ~~or~~ AND beverage" means the amount of any expenditure paid  
 14 or incurred NOT TO EXCEED TWENTY-FIVE DOLLARS PER MEAL for food ~~or beverages~~  
 15 AND BEVERAGE for a state officer or employee provided at a location at which  
 16 the principal, public body, lobbyist, designated public lobbyist or  
 17 authorized public lobbyist who made the expenditure is present BUT DOES NOT  
 18 INCLUDE FOOD AND BEVERAGE PROVIDED AT AN EDUCATIONAL EVENT, SPEAKING  
 19 ENGAGEMENT OR SPECIAL EVENT.

20       ~~9.~~ 10. "Gift" means a payment, distribution, expenditure, advance,  
 21 deposit or donation of money, ENTERTAINMENT, any intangible personal property  
 22 or any kind of tangible personal or real property. ~~For purposes of this~~  
 23 ~~article gift does not include:~~

24       ~~(a) A gift, devise or inheritance from an individual's spouse, child,~~  
 25 ~~parent, grandparent, grandchild, brother, sister, parent in law,~~  
 26 ~~brother in law, sister in law, nephew, niece, aunt, uncle or first cousin or~~  
 27 ~~the spouse of any such individual if the donor is not acting as the agent or~~  
 28 ~~intermediary for someone other than a person covered by this subdivision.~~

29       ~~(b) Expenditures which are either properly reported or exempt from~~  
 30 ~~reporting under this chapter for:~~

31       ~~(i) A speaking engagement.~~

32       ~~(ii) Food or beverages.~~

33       ~~(iii) Travel and lodging.~~

34       ~~(iv) Flowers.~~

35       ~~(c) Salary, compensation or employer reimbursed expenses lawfully paid~~  
 36 ~~to a public official.~~

37       ~~(d) The value, cost or price of professional or consulting services~~  
 38 ~~that are not rendered to obtain a benefit for any registered principal,~~  
 39 ~~public body, lobbyist, designated public lobbyist or authorized public~~  
 40 ~~lobbyist or the clients of a principal or lobbyist.~~

41       ~~(e) Expenses relating to a special event or function to which all~~  
 42 ~~members of the legislature, either house of the legislature or any committee~~  
 43 ~~of the legislature are invited.~~

~~(f) A plaque or other form of recognition similar to a plaque to a state officer or state employee to signify the honorary recognition of a service or other notable accomplishment.~~

~~(g) Informational material such as books, reports, pamphlets, calendars or periodicals.~~

~~(h) An item that is not used and that is returned within fifteen days of receipt to the donor or that is delivered within fifteen days of receipt to a charitable organization and that is not claimed as a charitable contribution for state or federal income tax purposes.~~

~~(i) A campaign contribution that is properly received and reported as required by law.~~

~~(j) An item that is given to a state officer or employee if the state officer or employee gives an item of approximately the same value to the giver of the item at the same time that the item is given or on a similar occasion as the one that prompted the original item to be given.~~

~~(k) Gifts of a personal nature that were customarily received by an individual from the donor before the individual became a state officer or employee.~~

~~(l) An item that is given to the general public at an event.~~

~~10.~~ 11. "Legislation" means bills, resolutions, memorials, amendments, nominations and other matters that are pending or proposed in either house of the legislature of this state ~~or for the purposes of bonding lobbying for any matter pending or proposed before a school district governing board.~~

~~11.~~ 12. "Lobbying" means attempting to influence the passage or defeat of any legislation by directly communicating with any legislator, ~~or in the case of bonding, lobbyists directly communicating with any school district employee or a school district governing board member~~ or attempting to influence any formal rule making proceeding pursuant to chapter 6 of this title or rule making proceedings that are exempt from chapter 6 of this title by directly communicating with any state officer or employee. Lobbying does not include:

(a) Interagency communications between state agency employees.

(b) Communications between a public official or employee of a public body, designated public lobbyist or authorized public lobbyist and any state officer, except for a member of the legislature, or an employee of the legislature.

(c) Oral questions or comments made by a person to a state officer or employee regarding a proposed rule and made in public at a meeting or workshop that is open to the public and that is sponsored by a state agency, board, commission, council or office.

~~12.~~ 13. "Lobbyist" means any person, other than a designated public lobbyist or authorized public lobbyist, who is employed by, retained by or representing a person other than himself, with or without compensation, for the purpose of lobbying and who is listed as a lobbyist by the principal in its registration pursuant to section 41-1232. Lobbyist includes a lobbyist

1 for compensation, designated lobbyist and authorized lobbyist. ~~Lobbyist~~  
 2 ~~includes attorneys whose practice involves bonding, underwriters of bonds and~~  
 3 ~~investment bankers whose business includes bonding.~~

4 ~~13.~~ 14. "Lobbyist for compensation" means a lobbyist who is  
 5 compensated for the primary purpose of lobbying on behalf of a principal and  
 6 who is listed by the principal in its registration pursuant to section  
 7 41-1232.

8 15. "NONRECREATIONAL TRAVEL AND LODGING" MEANS THE AMOUNT OF ANY  
 9 EXPENDITURE PAID OR INCURRED FOR TRAVEL OR LODGING, OR BOTH, RELATED TO A  
 10 FACT-FINDING OR EDUCATIONAL TRIP MADE IN CONNECTION WITH THE LEGISLATIVE OR  
 11 OFFICIAL DUTIES OF A STATE OFFICER OR EMPLOYEE AND NOT PRIMARILY FOR A  
 12 RECREATIONAL PURPOSE.

13 ~~14.~~ 16. "Person" means an individual, partnership, committee,  
 14 association or corporation and any other organization or group of persons,  
 15 except legislators and political parties qualified for representation on the  
 16 ballot pursuant to section 16-801 or 16-804.

17 ~~15.~~ 17. "Personal hospitality" means hospitality, meals, beverages,  
 18 transportation or lodging furnished but not commercially provided by a person  
 19 on property or facilities owned or possessed by the person or the person's  
 20 family.

21 ~~16.~~ 18. "Principal" means any person, other than a public body, that  
 22 employs, retains, engages or uses, with or without compensation, a lobbyist.  
 23 Principal includes any subsidiary of a corporation.

24 ~~17.~~ 19. "Public body" means the Arizona board of regents, a university  
 25 under the jurisdiction of the Arizona board of regents, the judicial  
 26 department, any state agency, board, commission or council, any county, any  
 27 county elected officer who elects to appoint a designated public lobbyist or  
 28 any city, town, district or other political subdivision of this state that  
 29 receives and ~~utilizes~~ **USES** tax revenues and that employs, retains, engages or  
 30 uses, with or without compensation, a designated public lobbyist or  
 31 authorized public lobbyist.

32 ~~18.~~ 20. "Public official" means a person who is duly elected,  
 33 appointed or retained through election to an elected state, county or local  
 34 office.

35 ~~19.~~ 21. "Single expenditure" means an expenditure that provides a  
 36 benefit of more than twenty dollars to an individual state officer or state  
 37 employee and that is incurred **JOINTLY OR INDIVIDUALLY** by or on behalf of one  
 38 or more principals, public bodies, lobbyists, designated public lobbyists or  
 39 authorized public lobbyists.

40 ~~20.~~ 22. "Speaking engagement":

41 (a) Means the amount of any expense paid or incurred for entrance fees,  
 42 lodging, food and beverage, entertainment, travel and other expenses for the  
 43 state officer's or employee's attendance at an event, committee, meeting,  
 44 conference or seminar, including meetings of state, regional or national  
 45 organizations or their committees concerned with legislative or governmental

activities if the state officer or employee participates in the event as a speaker or panel participant by presenting information relating to the state officer's or employee's legislative or official duties or by performing a ceremonial function appropriate to the state officer's or employee's position.

(b) Does not include expenditures for an honorarium or any other similar fee paid to a speaker.

~~21.~~ 23. "State employee" means an employee of the legislature, a university under the jurisdiction of the Arizona board of regents, the judicial department or a state office, agency, board, commission or council.

~~22.~~ 24. "State officer" means a person who is duly elected, appointed or retained through election to any state office, or a member of any state board, commission or council, and includes a member of the legislature.

Sec. 2. Title 41, chapter 7, article 8.1, Arizona Revised Statutes, is amended by adding section 41-1231.01, to read:

41-1231.01. Gift ban; principals and lobbyists; exemptions

A. A PRINCIPAL OR LOBBYIST OR ANY OTHER PERSON ACTING ON BEHALF OF A PRINCIPAL OR LOBBYIST SHALL NOT GIVE A GIFT TO ANY STATE OFFICER OR STATE EMPLOYEE AND A STATE OFFICER OR STATE EMPLOYEE SHALL NOT ACCEPT A GIFT FROM A PRINCIPAL OR LOBBYIST.

B. A PUBLIC BODY, DESIGNATED PUBLIC LOBBYIST OR AUTHORIZED PUBLIC LOBBYIST OR ANY OTHER PERSON ACTING ON BEHALF OF A PUBLIC BODY, DESIGNATED PUBLIC LOBBYIST OR AUTHORIZED PUBLIC LOBBYIST SHALL NOT GIVE A GIFT TO ANY MEMBER OR EMPLOYEE OF THE LEGISLATURE AND A MEMBER OR EMPLOYEE OF THE LEGISLATURE SHALL NOT ACCEPT A GIFT FROM A PUBLIC BODY, DESIGNATED PUBLIC LOBBYIST OR AUTHORIZED PUBLIC LOBBYIST OR ANY OTHER PERSON ACTING ON THEIR BEHALF. THIS SUBSECTION DOES NOT APPLY TO GIFTS GIVEN BY A PUBLIC BODY, DESIGNATED PUBLIC LOBBYIST OR AUTHORIZED PUBLIC LOBBYIST TO AN EMPLOYEE OF A PUBLIC BODY, IF THE EMPLOYEE IS NOT A PUBLIC OFFICIAL OR A MEMBER OF THE HOUSEHOLD OF A PUBLIC OFFICIAL OR IF THE GIFT IS ACCEPTED ON BEHALF OF THE PUBLIC BODY AND REMAINS THE PROPERTY OF THE PUBLIC BODY.

C. FOR THE PURPOSES OF THIS ARTICLE, A GIFT DOES NOT INCLUDE ANY OF THE FOLLOWING:

1. SALARY, COMPENSATION OR EMPLOYER REIMBURSED EXPENSES LAWFULLY PAID TO A STATE OFFICER OR EMPLOYEE.

2. A FAMILY GIFT.

3. AN AWARD OR PRIZE THAT IS GIVEN TO COMPETITORS IN A CONTEST OR EVENT THAT IS OPEN TO THE PUBLIC, INCLUDING A RANDOM DRAWING.

4. A CAMPAIGN CONTRIBUTION THAT IS PROPERLY RECEIVED AND REPORTED BY THE STATE OFFICER AS REQUIRED BY LAW.

5. ANY DISCOUNT OR OTHER BENEFIT THAT IS OFFERED TO A STATE OFFICER OR EMPLOYEE ON THE SAME CONDITIONS AS OFFERED TO THE PUBLIC, TO A CLASS CONSISTING OF ALL STATE OFFICERS AND EMPLOYEES OR TO A GROUP OR CLASS IN WHICH MEMBERSHIP IS UNRELATED TO BEING A STATE OFFICER OR EMPLOYEE.

6. AN EDUCATIONAL EVENT OR SPEAKING ENGAGEMENT.

1           7. EXPENSES RELATING TO A SPECIAL EVENT OR FUNCTION TO WHICH ALL  
2 MEMBERS OF THE LEGISLATURE, EITHER HOUSE OF THE LEGISLATURE OR ANY COMMITTEE  
3 OF THE LEGISLATURE ARE INVITED AND THAT ARE PROPERLY REPORTED AS PRESCRIBED  
4 IN SECTION 41-1232.02, SUBSECTION F OR SECTION 41-1232.03, SUBSECTION F.

5           8. FLOWERS.

6           9. FOOD AND BEVERAGE.

7           10. INFORMATIONAL MATERIAL, INCLUDING A BOOK, CALENDAR, PAMPHLET,  
8 PERIODICAL, REPORT OR VIDEOTAPE.

9           11. AN ITEM THAT IS NOT USED AND THAT IS RETURNED WITHIN FIFTEEN DAYS  
10 OF RECEIPT TO THE DONOR OR THAT IS DELIVERED WITHIN FIFTEEN DAYS OF RECEIPT  
11 TO A CHARITABLE ORGANIZATION AND THAT IS NOT CLAIMED AS A CHARITABLE  
12 CONTRIBUTION FOR STATE OR FEDERAL INCOME TAX PURPOSES.

13           12. AN ITEM THAT IS GIVEN TO A STATE OFFICER OR EMPLOYEE IF THE STATE  
14 OFFICER OR EMPLOYEE GIVES AN ITEM OF APPROXIMATELY THE SAME VALUE TO THE  
15 GIVER OF THE ITEM AT THE SAME TIME THAT THE ITEM IS GIVEN OR ON A SIMILAR  
16 OCCASION AS THE ONE THAT PROMPTED THE ORIGINAL ITEM TO BE GIVEN.

17           13. AN ITEM OF A PERSONAL NATURE THAT WAS CUSTOMARILY RECEIVED BY AN  
18 INDIVIDUAL FROM THE DONOR BEFORE THE INDIVIDUAL BECAME A STATE OFFICER OR  
19 EMPLOYEE.

20           14. AN ITEM THAT IS GIVEN TO THE GENERAL PUBLIC AT AN EVENT.

21           15. AN ITEM OF NOMINAL VALUE SUCH AS A GREETING CARD, BASEBALL CAP,  
22 T-SHIRT, MUG OR PEN.

23           16. NONRECREATIONAL TRAVEL OR LODGING, OR BOTH.

24           17. PERSONAL HOSPITALITY.

25           18. A PLAQUE OR OTHER FORM OF RECOGNITION SIMILAR TO A PLAQUE GIVEN TO  
26 A STATE OFFICER OR STATE EMPLOYEE TO SIGNIFY THE HONORARY RECOGNITION OF A  
27 SERVICE OR OTHER NOTABLE ACCOMPLISHMENT.

28           19. PROFESSIONAL OR CONSULTING SERVICES THAT ARE RENDERED ON MATTERS  
29 DIRECTLY RELATED TO HOLDING PUBLIC OFFICE, BEING A CANDIDATE FOR PUBLIC  
30 OFFICE OR BEING A STATE EMPLOYEE AND THAT ARE NOT RENDERED TO OBTAIN A  
31 BENEFIT FOR ANY REGISTERED PRINCIPAL, PUBLIC BODY, LOBBYIST, DESIGNATED  
32 PUBLIC LOBBYIST OR AUTHORIZED PUBLIC LOBBYIST OR THE CLIENTS OF A PRINCIPAL  
33 OR LOBBYIST.

34           Sec. 3. Section 41-1232.02, Arizona Revised Statutes, is amended to  
35 read:

36           41-1232.02. Expenditure reporting; principals and lobbyists;  
37                                 gifts

38           A. Each principal shall report annually all single expenditures,  
39 whether or not the expenditures were made in the course of lobbying. These  
40 single expenditures shall be itemized separately, and each itemization shall  
41 include the date of the expenditure, the amount of the expenditure, the name  
42 of each state officer or employee receiving or benefitting from the  
43 expenditure, the category of the expenditure and the name of the lobbyist or  
44 other person who made the expenditure on behalf of the principal. In  
45 addition each principal shall report annually the aggregate of all

1 expenditures of twenty dollars or less received by or benefitting a state  
 2 officer or employee, whether or not the expenditures were made in the course  
 3 of lobbying. The report shall be filed by March 1 and shall list the annual  
 4 expenditures made on behalf of the principal. If March 1 is a Saturday,  
 5 Sunday or other legal holiday, the report shall be filed on the next business  
 6 day.

7 B. Each lobbyist for compensation and designated lobbyist shall report  
 8 quarterly all single expenditures incurred in the preceding calendar quarter  
 9 by the lobbyist for compensation or designated lobbyist, whether or not the  
 10 single expenditures were made in the course of lobbying. These single  
 11 expenditures shall be itemized separately, and each itemization shall include  
 12 the date of the expenditure, the amount of the expenditure, the name of the  
 13 state officer or employee receiving or benefitting from the expenditure, the  
 14 category of the expenditure and the principal on whose behalf the expenditure  
 15 was made. If the expenditure was made by the lobbyist and was not made on  
 16 behalf of a principal, it shall be itemized separately. The quarterly report  
 17 shall be filed no later than the last day of the month following the end of  
 18 the calendar quarter, unless the last day of the month is a Saturday, Sunday  
 19 or other legal holiday. In that case, the report shall be filed on the next  
 20 business day.

21 C. Each lobbyist for compensation and designated lobbyist shall also  
 22 report quarterly the aggregate of all expenditures of twenty dollars or less  
 23 received by or benefitting a state officer or employee, whether or not the  
 24 expenditures were made in the course of lobbying. The report shall list  
 25 separately the aggregate of expenditures made on behalf of each principal and  
 26 the aggregate not made on behalf of any principal. In the fourth calendar  
 27 quarter, these expenditures shall also be listed by cumulative total for the  
 28 calendar year. Each quarterly lobbyist report shall include all reportable  
 29 expenditures made by any employee of the lobbyist for compensation or  
 30 designated lobbyist, regardless of whether that employee is listed as a  
 31 lobbyist on any registration filed by a principal engaging the lobbyist. The  
 32 quarterly report shall be filed no later than the last day of the month  
 33 following the end of the calendar quarter, unless the last day of the month  
 34 is a Saturday, Sunday or other legal holiday. In that case, the report shall  
 35 be filed the next business day.

36 D. The reports required by subsections A and B of this section shall  
 37 identify each single expenditure according to the following categories:

- 38 1. Food ~~or beverages~~ AND BEVERAGE.
- 39 2. AN EDUCATIONAL EVENT OR A speaking engagement.
- 40 3. NONRECREATIONAL travel and lodging.
- 41 4. Flowers.

42 ~~5. Other expenditures.~~

43 E. Expenditures by principals and lobbyists, ~~such as~~ INCLUDING those  
 44 for the lobbyist's personal sustenance, office expenses, filing fees, legal  
 45 fees, employees' compensation, lodging and travel, are not required to be



1 reported. In addition, expenditures by a principal or a lobbyist for family  
 2 gifts, personal hospitality or those items excluded from the definition of  
 3 gift pursuant to section ~~41-1231, paragraph 9, subdivision (a), (c), (d),~~  
 4 ~~(f), (g), (h), (i), (j), (k) or (l)~~ 41-1231.01, SUBSECTION C, PARAGRAPHS 1  
 5 THROUGH 5, 10 THROUGH 15, 17 AND 19 are not required to be reported.

6 F. All expenditures incurred by a principal or lobbyist in the case of  
 7 special events for legislators, including parties, dinners, athletic events,  
 8 entertainment and other functions, to which all members of the legislature,  
 9 either house of the legislature or any committee of the legislature are  
 10 invited shall be reported. Expenditures are not required to be allocated to  
 11 individual legislators, but for each ~~such~~ SPECIAL event a description of the  
 12 event and the date, location, name of the legislative body invited and total  
 13 expenditures incurred shall be reported. Expenditures for special events  
 14 held in conjunction with state, national or regional meetings of an  
 15 organization or association concerned or dealing with legislative or other  
 16 governmental activities to which all state officers or state employees in  
 17 attendance at ~~such~~ THE event are invited shall be reported in the same  
 18 manner.

19 G. All information required to be filed pursuant to this section with  
 20 the secretary of state shall be filed in that office and preserved by the  
 21 secretary of state for five years from the date of filing, after which time  
 22 the information shall be destroyed. The information is a public record and  
 23 open to public inspection.

24 H. If a principal, lobbyist for compensation or designated lobbyist  
 25 makes no expenditures that it would otherwise be required to report during a  
 26 specified reporting period, the principal, lobbyist for compensation or  
 27 designated lobbyist may sign a notarized form prescribed by the secretary of  
 28 state indicating that there were no expenditures during the specific  
 29 reporting period.

30 I. A person or organization shall not make a gift to or an expenditure  
 31 on behalf of a state officer or employee through another person or  
 32 organization for the purpose of disguising the identity of the person making  
 33 the gift or expenditure.

34 ~~J. A principal or lobbyist or any other person acting on behalf of a~~  
 35 ~~principal or lobbyist shall not give to any state officer or state employee~~  
 36 ~~and a state officer or state employee shall not accept from a principal or~~  
 37 ~~lobbyist either of the following:~~

38 ~~1. Gifts with a total value of more than ten dollars during any~~  
 39 ~~calendar year.~~

40 ~~2. Gifts that are designed to influence the state officer's or state~~  
 41 ~~employee's official conduct.~~

42 J. A PRINCIPAL OR LOBBYIST OR ANY OTHER PERSON ACTING ON BEHALF OF A  
 43 PRINCIPAL OR LOBBYIST SHALL NOT:

1           1. DIVIDE AN EXPENDITURE BETWEEN TWO OR MORE PRINCIPALS, PUBLIC  
2 BODIES, LOBBYISTS, DESIGNATED PUBLIC LOBBYISTS OR AUTHORIZED PUBLIC LOBBYISTS  
3 FOR THE PURPOSE OF NOT REPORTING THE EXPENDITURE AS A SINGLE EXPENDITURE.

4           2. DIVIDE AN EXPENDITURE FOR FOOD AND BEVERAGE BETWEEN TWO OR MORE  
5 PRINCIPALS, PUBLIC BODIES, LOBBYISTS, DESIGNATED PUBLIC LOBBYISTS OR  
6 AUTHORIZED PUBLIC LOBBYISTS FOR THE PURPOSE OF CIRCUMVENTING THE LIMITATION  
7 ON FOOD AND BEVERAGE EXPENDITURES PER MEAL PRESCRIBED BY SECTION 41-1231 FOR  
8 A STATE OFFICER OR EMPLOYEE.

9           Sec. 4. Section 41-1232.03, Arizona Revised Statutes, is amended to  
10 read:

11           41-1232.03. Expenditure reporting; public bodies and public  
12 lobbyists; gifts

13           A. Each public body shall report annually all single expenditures  
14 received by or benefitting a member of the legislature whether or not the  
15 expenditures were made in the course of lobbying. These expenditures shall  
16 be itemized separately, and each itemization shall include the date of the  
17 expenditure, the amount of the expenditure, the name of each member OR  
18 EMPLOYEE of the legislature receiving or benefitting from the expenditure,  
19 the category of the expenditure and the name of the designated public  
20 lobbyist or authorized public lobbyist who made the expenditure on behalf of  
21 the public body. In addition each public body shall report annually the  
22 aggregate of all expenditures of twenty dollars or less received by or  
23 benefitting a member OR EMPLOYEE of the legislature, whether or not the  
24 expenditures were made in the course of lobbying. The report shall list all  
25 expenditures by the public body made in the course of lobbying for the  
26 personal sustenance, filing fee, legal fees, employees' compensation, meals,  
27 lodging and travel of the designated public lobbyist and all authorized  
28 public lobbyists employed or retained by, and representing, the public body.  
29 The public body shall apportion expenditures that are attributable both to  
30 lobbying and to other activities of the public body and shall report only the  
31 portion attributable to lobbying. For the purpose of reporting employee  
32 compensation, a public body, on establishing a time allocation schedule for  
33 apportioned lobbying activity based on actual experience under this article,  
34 may submit after the 1993 calendar year an affidavit to the secretary of  
35 state stating the compensation attributable to lobbying for subsequent years  
36 for the designated public lobbyist and all authorized public lobbyists whose  
37 job responsibilities have not been significantly altered since the time  
38 allocation schedule was established. The report shall be filed by March 1  
39 and shall list the annual expenditures made on behalf of the public body. If  
40 March 1 is a Saturday, Sunday or other legal holiday, the report shall be  
41 filed on the next business day.

42           B. Each designated public lobbyist shall report quarterly all single  
43 expenditures received by or benefitting a member OR EMPLOYEE of the  
44 legislature and incurred in the preceding calendar quarter by the designated  
45 public lobbyist, whether or not the single expenditures were made in the

1 course of lobbying. Each designated public lobbyist's report shall also  
2 include all single expenditures incurred in the preceding calendar quarter by  
3 each authorized public lobbyist who is registered pursuant to section  
4 41-1232.01 by the same public body that registered the designated public  
5 lobbyist. This subsection does not apply to an expenditure that was made by  
6 a designated public lobbyist or authorized public lobbyist and that was  
7 received by or benefitted an employee of a public body, if the employee is  
8 not a member or employee of the legislature or a member of the household of a  
9 member or employee of the legislature. These expenditures shall be itemized  
10 separately, and each itemization shall include the date of the expenditure,  
11 the amount of the expenditure, the name of the member or employee receiving  
12 or benefitting from the expenditure, the category of the expenditure and the  
13 public body on whose behalf the expenditure was made. If the expenditure was  
14 made by the designated public lobbyist or authorized public lobbyist and was  
15 not made on behalf of a public body, it shall be itemized separately. The  
16 quarterly report shall be filed no later than the last day of the month  
17 following the end of the calendar quarter, unless the last day of the month  
18 is a Saturday, Sunday or other legal holiday. In that case, the report shall  
19 be filed on the next business day.

20 C. Each designated public lobbyist shall also report quarterly the  
21 aggregate of all expenditures of twenty dollars or less received by or  
22 benefitting a member OR EMPLOYEE of the legislature, whether or not the  
23 expenditures were made in the course of lobbying. Each designated public  
24 lobbyist's report shall also include the aggregate of all expenditures of  
25 twenty dollars or less that were received by or benefitted a member OR  
26 EMPLOYEE of the legislature and that were made by an authorized public  
27 lobbyist who is registered pursuant to section 41-1232.01 by the same public  
28 body that registered the designated public lobbyist. This subsection does  
29 not apply to an expenditure that was made by a designated public lobbyist or  
30 authorized public lobbyist and that was received by or benefitted an employee  
31 of a public body, if the employee is not a member or employee of the  
32 legislature or a member of the household of a member or employee of the  
33 legislature. The report shall list separately the aggregate of expenditures  
34 made on behalf of each public body and the aggregate not made on behalf of  
35 any public body. In the fourth calendar quarter, these expenditures shall  
36 also be listed by cumulative total for the calendar year. Each quarterly  
37 lobbyist report shall include all reportable expenditures made by any  
38 employee of the designated public lobbyist or authorized public lobbyist,  
39 regardless of whether that employee is listed as a designated public lobbyist  
40 or authorized public lobbyist on any registration filed by a public body  
41 engaging the designated public lobbyist or authorized public lobbyist. The  
42 quarterly report shall be filed no later than the last day of the month  
43 following the end of the calendar quarter, unless the last day of the month  
44 is a Saturday, Sunday or other legal holiday. In that case, the report shall  
45 be filed on the next business day.

D. The reports required by subsections A and B of this section shall identify the nature of each single expenditure according to the following categories:

1. Food ~~or beverages~~ AND BEVERAGE.
2. AN EDUCATIONAL EVENT OR A speaking engagement.
3. NONRECREATIONAL travel and lodging.
4. Flowers.
5. ~~Other expenditures.~~

E. Expenditures by a public body, designated public lobbyist or authorized public lobbyist for personal sustenance, family gifts, personal hospitality or those items excluded from the definition of gift pursuant to section ~~41-1231, paragraph 9, subdivision (a), (c), (d), (f), (g), (h), (i), (j), (k) or (l)~~ 41-1231.01, SUBSECTION C, PARAGRAPHS 1 THROUGH 5, 10 THROUGH 15, 17 AND 19 are not required to be reported.

F. All expenditures incurred by a public body, designated public lobbyist or authorized public lobbyist in the case of special events for legislators, including parties, dinners, athletic events, entertainment and other functions, to which all members of the legislature, either house of the legislature or any committee of the legislature are invited shall be reported. Expenditures are not required to be allocated to individual legislators, but for each ~~such~~ SPECIAL event a description of the event and the date, location, name of the legislative body invited and total expenditures incurred shall be reported. Expenditures for special events held in conjunction with state, national or regional meetings of an organization or association concerned or dealing with legislative or other governmental activities to which all members or employees of the legislature in attendance at ~~such~~ THE event are invited shall be reported in the same manner.

G. All information required to be filed pursuant to this section with the secretary of state shall be filed in that office and preserved by the secretary of state for five years from the date of filing, after which time the information shall be destroyed. The information is a public record and open to public inspection.

H. If a public body or designated public lobbyist makes no expenditures that it would otherwise be required to report during a specified reporting period, the public body or designated public lobbyist may sign a notarized form prescribed by the secretary of state indicating that there were no expenditures during the specific reporting period.

I. A person or organization shall not make a gift to or an expenditure on behalf of a member or employee of the legislature through another person or organization for the purpose of disguising the identity of the person making the gift or expenditure.

~~J. A public body, designated public lobbyist or authorized public lobbyist or any other person acting on behalf of a public body, designated public lobbyist or authorized public lobbyist shall not give to any member of~~

~~the legislature and a member of the legislature shall not accept from a public body, designated public lobbyist or authorized public lobbyist either of the following:~~

~~1. Gifts with a total value of more than ten dollars during any calendar year.~~

~~2. Gifts that are designed to influence the member's or employee's official conduct.~~

~~K. Subsection J of this section does not apply to gifts given by a public body, designated public lobbyist or authorized public lobbyist to an employee of a public body, if the employee is not a public official or a member of the household of a public official or if the gift is accepted on behalf of the public body and remains the property of the public body.~~

J. A PUBLIC BODY, DESIGNATED PUBLIC LOBBYIST OR AUTHORIZED PUBLIC LOBBYIST OR ANY OTHER PERSON ACTING ON BEHALF OF A PUBLIC BODY, DESIGNATED PUBLIC LOBBYIST OR AUTHORIZED PUBLIC LOBBYIST SHALL NOT:

1. DIVIDE AN EXPENDITURE BETWEEN TWO OR MORE PRINCIPALS, PUBLIC BODIES, LOBBYISTS, DESIGNATED PUBLIC LOBBYISTS OR AUTHORIZED PUBLIC LOBBYISTS FOR THE PURPOSE OF NOT REPORTING THE EXPENDITURE AS A SINGLE EXPENDITURE.

2. DIVIDE AN EXPENDITURE FOR FOOD AND BEVERAGE BETWEEN TWO OR MORE PRINCIPALS, PUBLIC BODIES, LOBBYISTS, DESIGNATED PUBLIC LOBBYISTS OR AUTHORIZED PUBLIC LOBBYISTS FOR THE PURPOSE OF CIRCUMVENTING THE LIMITATION ON FOOD AND BEVERAGE EXPENDITURES PER MEAL PRESCRIBED BY SECTION 41-1231 FOR A STATE OFFICER OR EMPLOYEE.

Sec. 5. Section 41-1239, Arizona Revised Statutes, is amended to read:

41-1239. Duties of secretary of state

A. The secretary of state shall:

1. Prescribe and publish the registration and registration amendment forms and the annual and quarterly expenditure forms, handbooks and rules necessary to carry out the provisions of this article.

2. Refer to the attorney general or county attorney for investigation any matter ~~which~~ THAT the secretary of state has reason to believe constitutes a violation of any of the provisions of this article.

3. Provide for the cross-referencing of the registration required by sections 41-1232 and 41-1232.01 so that each lobbyist authorized by a principal pursuant to section 41-1232, subsection A and each public lobbyist authorized by a public body pursuant to section 41-1232.01, subsection A shall be identified with ~~such~~ THE principal.

4. Advise incumbents and nonincumbent candidates regarding campaign finance laws and public officer reporting and disclosure laws. At the request of the person asking for advice, the secretary of state shall log the request and the response.

5. Compile and issue an annual report of all expenditures reported by principals, public bodies, lobbyists and public lobbyists. The annual report shall accurately summarize all expenditures for lobbying but shall not double report expenditures by a lobbyist that were reimbursed and reported by a

1 principal or public body. The report shall list the name of each principal  
2 or public body along with the name of each lobbyist or public lobbyist that  
3 is listed on the principal's registration statement.

4 6. BEGINNING IN 2010, BIENNIALY ADJUST TO THE NEAREST DOLLAR THE PER  
5 MEAL LIMITATION ON FOOD AND BEVERAGE EXPENDITURES ESTABLISHED IN SECTION  
6 41-1231 BY THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX FOR THE TWO  
7 PRIOR CALENDAR YEARS AND PUBLISH THE NEW LIMITATION FOR DISTRIBUTION TO  
8 PRINCIPALS, PUBLIC BODIES, LOBBYISTS, DESIGNATED PUBLIC LOBBYISTS AND  
9 AUTHORIZED PUBLIC LOBBYISTS. FOR THE PURPOSES OF THIS PARAGRAPH, "CONSUMER  
10 PRICE INDEX" MEANS THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, UNITED  
11 STATES CITY AVERAGE, THAT IS PUBLISHED BY THE UNITED STATES DEPARTMENT OF  
12 LABOR, BUREAU OF LABOR STATISTICS.

13 B. The secretary of state may adopt rules regarding initiative,  
14 referendum and recall. Rules adopted pursuant to this subsection apply to  
15 statewide and county initiatives, referenda and recalls.